

SETTLEMENT AGREEMENT

This Settlement Agreement is entered into this 1 day of April, 2021, SIERRA CASSELMAN and SANDRA CHAFEE (previously known as Sandra McClure) (collectively "PURCHASERS") and LITHIA OF MISSOULA II, LLC ("LITHIA") and TOYOTA MOTOR CREDIT CORPORATION ("TMCC") (collectively "SELLERS"), is intended to resolve all disputes between PURCHASERS and SELLERS with respect to the sale and purchase of a 2013 Land Rover/Range Rover Evoque ("the Vehicle"), VIN: SALVN2BG2DH786574 pursuant to a Retail Installment Sale Contract ("SALE AGREEMENT") dated October 17, 2018, a true copy of which is attached hereto as Exhibit A.

PURCHASERS claim that the Vehicle tendered by SELLERS was defective and that SELLERS breached the specific Warranty regarding the Vehicle, which claim SELLERS deny.

SELLERS maintain that PURCHASERS owe a balance of \$28,016.79 under the Agreement, which claim PURCHASERS deny.

The Parties now wish to settle this matter finally between them without admitting liability as to any claims and without admitting any of the factual allegations against any of them.

The Parties now enter into this SETTLEMENT AGREEMENT in order to fully resolve, compromise, release, and discharge all claims between them, upon the terms and conditions set forth herein. This SETTLEMENT AGREEMENT represents the compromise of disputed claims. Nothing contained herein shall constitute an admission of any fault, wrongdoing or liability by any of the Parties hereto with respect to the matters addressed herein.

In light of the foregoing, SELLERS and PURCHASERS agree as follows:

1. PURCHASERS have tendered the Evoque to SELLERS by delivering it to Lithia of Missoula II, LLC, at its place of business in Missoula, MT, in its current condition without warranty, "as is, where is."
2. The Parties agree that the Sale Agreement is hereby canceled and rescinded and that PURCHASERS and SELLERS are relieved of any further obligation, payment or performance pursuant to that Sale Agreement as evidenced by the Mutual Release of Claims attached hereto as Exhibit B releasing all claims by PURCHASERS against SELLERS and by SELLERS against PURCHASERS relating to the sale and purchase of the Vehicle or arising from the terms of the Sale Agreement. Specifically, PURCHASERS are relieved of all obligations to pay the balance of \$28,016.79 (or any other amount) claimed due to SELLERS under the SALE AGREEMENT and SELLERS are relieved of all liability to PURCHASERS with respect to any claim for damages or the like as a result of breach of the SALE AGREEMENT.
3. LITHIA specifically agrees that it will not file or cause to be filed an IRS Form 1099-C or any other document identifying any portion of the debt owed by PURCHASERS as having been "forgiven" without consideration.

4. LITHIA agrees to pay off the Vehicle's balance in full for PURCHASERS' account with TMCC, account no: XXXX136453125XXXX (the "Account"), which currently has an unpaid balance of \$28, 016.79 (good through March 26, 2021), within ten (10) business days of PURCHASERS executing the SETTLEMENT AGREEMENT and returning the Vehicle to LITHIA. TMCC agrees that upon receipt of the payoff funds from LITHIA the contract for the Vehicle is rescinded and that PURCHASER shall have no further obligations under the contract. TMCC further agrees that it will not file or cause to be filed an IRS Form 1099-C or any other document identifying any portion of the debt owed by PURCHASERS as having been "forgiven" without consideration.
5. The Parties agree that the consideration for this SETTLEMENT AGREEMENT and the Mutual Release of Claims is adequate and sufficient to support this SETTLEMENT AGREEMENT as a binding contract.
6. For a period of one year after the date of this SETTLEMENT AGREEMENT, LITHIA will facilitate Tariq Casselman with the purchase of a vehicle of his choosing. The specific terms of the transaction will be provided by LITHIA and shall depend on a variety of factors (i.e. whether financing will be required and the ability to obtain the same). For this purpose, the Parties agree that Tariq Casselman is a third-party beneficiary under this SETTLEMENT AGREEMENT.
7. This SETTLEMENT AGREEMENT shall be governed by and construed in accordance with the laws of the State of Montana, without regard to its conflict of laws provisions.
8. This SETTLEMENT AGREEMENT may be executed in one or more counterparts, including facsimile, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Facsimile signatures and digitally transmitted signatures shall be deemed equivalent to original signatures.

EXECUTED THIS 1 DAY OF April, 2021

SELLERS:

LITHIA OF MISSOULA II, LLC

By: [Signature]

Its: Assistant Secretary

TOYOTA MOTOR CREDIT
CORPORATION

By: P.P. [Signature]

Chloe Nelson

Its: Senior Litigation Paralegal

PURCHASERS:

[Signature]
SIERRA CASSELMAN

[Signature]
SANDRA CHAFEE (f/k/a Sandra McClure)